

GRANADA SANITARY DISTRICT

OF SAN MATEO COUNTY

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MINUTES BOARD OF DIRECTORS SPECIAL MEETING MINUTES JANUARY 30, 2002

CALL TO ORDER: The meeting was called to order by President Bill Katke at 7:40 p.m. at the Granada Sanitary District Office, El Granada.

ROLL CALL: Attending were: President Bill Katke, Vice President Leonard Woren, Secretary Fran Pollard, and Treasurer Laura Stein. Director Shawn McGraw was out of town. Attending staff were District Bond Counsel Gerald A. Laster and District Administrator Gina Holmes.

PLEDGE OF ALLEGIANCE: All present recited the Pledge of Allegiance.

HEAR THE PUBLIC: There were no speakers from the public.

SPECIAL ORDER OF BUSINESS

1. Presentation by and discussion with Bond Counsel G.A. Laster regarding formation and function of the Assessment District and Sewer Facilities Improvement Bond defined in Granada Sanitary District Ordinance No. 104 (*"An Ordinance Prescribing Procedures for Determining Occurrence of Contingencies Respecting Contingent Assessments, for Computing the Amounts Thereof and the Times When Due and Payable, for Notifying Landowners When Due and Payable and for Collection of Such Amounts; Prescribing Penalties for Nonpayment and Providing for the Collection of Such Penalties; Prescribing Procedures Relating to Transactions in Noncontingent Assessments, Establishing Prices for Such Transactions and Providing for the Collection or Payment of Such Amounts; Providing for the Use of All Collected Funds; And Amending and Restating Ordinance No. 96 and Ordinance No. 101 Relating Thereto"*):

The discussion, questions, and answers of this meeting were a continuation of the Saturday, January 26, 2002 Special Assessment Meeting.

Director Stein expressed concerns regarding the Board having an overall understanding of the Assessment District. Director Woren was emphatic that the District must be prepared to refinance the Bond as soon as possible.

District Administrator Holmes reported that Administrative Staff had been defining each separate Assessment District job, and which Staff members were doing each job. She noted that Associate Administrator Delia Comito had been reviewing the financial records of the Assessment District, which would be a very large job, since, among other things, the U.S. Bank accounts had not been balanced since 1996. District Administrator Holmes also pointed out that moving forward could depend on a Board decision to obtain an outside Assessment District manager.

District Bond Counsel Laster continued his January 26 presentation, showing the 1913 Municipal Act flow of funds (see attached Chart). He pointed out that the Granada Sanitary District's Assessment District had not been formed under the 1913 Act because insufficient funds were collected up front from the property owners.

Bond Counsel Laster moved on to review the Integrated Financing District Flow of Funds Summary (see attached Chart). During the Summary review, Board Members discussed with

Bond Counsel Laster the possibility of eliminating steps, changing, and revising the Assessment District. The Directors asked about eliminating nonconforming parcels from the Assessment District, and Director Katke asked about designing a database to help manage the financing aspect of the Assessment District.

Bond Counsel Laster stated that he would like to provide more details regarding specifics of the flow of funds and payout obligations involved in the Assessment District, and went on to give the Board a basic overview of Noncontingent Assessment allotment, Transfer Price (or Noncontingent Assessment sale price), and Contingent Assessment (see attached definition page).

The Board members and Bond Counsel Laster discussed the amendments ordering modifications to the Noncontingent Assessments from 1994-1996, and followed with Bond Questions and answers that Bond Counsel Laster had provided regarding Assessors parcels, the Bond Act of 1913, and the Integrated Finance District (see attachment "Bond Questions").

Bond Counsel Laster provided the Board with a history of the management of the Assessment District, and the current choices of management:

- a. Kennedy/Jenks
- b. District "In-House" with staff expansion
- c. Recognized organizations who have worked with 1913 and 1915 Acts

With Bond Counsel Laster offering his experience and perspective, the Board discussed the pros and cons of each of these management possibilities. Bond Counsel Laster provided the Board with the account of the Assessment-related services that Kennedy/Jenks had provided, and the lack of services now provided.

The Board requested District Administrator Holmes send a letter to District Engineer Howard Hoffman regarding the decrease in services. They discussed agendizing an item addressing Kennedy/Jenks having the desire, ability, and staff to assist with the Assessment District. District Administrator Holmes requested that no item be agendized or further action taken until she spoke to District Engineer Hoffman.

The Board directed her to contact the recognized organizations that managed assessment districts, and gave her specifications for assessing if an organization might be qualified to manage the Granada Sanitary District's Assessment District.

2. SET FUTURE SPECIAL ASSESSMENT MEETING AGENDA: The Board did not specify a date for a future Assessment District meeting.

At 10:02 p.m., Director Stein moved to extend the meeting until 10:15 a.m. **(Stein/Katke-0- 2 Abstain).**

President Katke announced that without a majority of the Directors voting for the meeting to be extended, it must be adjourned.

ADJOURN: Director Stein moved to adjourn at 10:04 p.m. **(Stein/Katke, 4-0).**

Submitted on: , 2002
SUBMITTED BY:

Approved on: , 2002
APPROVED BY:
